

The Examiner has rejected the arguments presented in Applicant's prior Response of October 1, 2007 (mailed September 28, 2007) as the Examiner indicates "the method of Leighton still falls within a reasonably broad interpretation of the claim language, especially when one considers that the original 'baseline watermark' of Leighton is derived from the digital data to be watermarked (col. 3 lines 35-40)" (Office Action, page 2). Applicant respectfully disagrees with the Examiner's application of Leighton to Applicant's claim 1.

Leighton discloses watermark detection method that requires prior identification of the work itself. See Leighton, Fig. 2 and Column 3, lines 45-67. In Leighton, in order to retrieve original baseline watermark vector (step 34 in Fig 2), which is derived from original work (column 3, lines 33-40, step 12 in Fig. 1), the detector must identify the work itself in order to know which vector to retrieve. It is clear that in Leighton, different works would result in the retrieval of different baseline watermarks (column 3, lines 30 to 44). The objective of Leighton is to distinguish different copies of the same work (Column 3, line 16-19 and 55-60).

One skilled in the art would appreciate that Leighton cannot be used to identify a work itself and cannot be used for content copyright protection on devices that do not have means to identify the work and that do not have access to a database with stored baseline watermark vectors. In contrast, with Applicant's claimed invention, watermarks can be extracted without prior identification of the work itself, which is known in the watermarking field as "blind watermark detection". With Applicant's claimed invention, blind watermark detection is achieved by correlating an encoded host signal with an auxiliary information carrier, which auxiliary information carrier is detected from the received encoded host signal. With Applicant's claim 1, the whole process of watermark extraction is based on processing the received signal, with no additional information about the original work identity or the need for parameters of different works to be saved in a database.

As Leighton does not disclose or remotely suggest blind watermark detection, the combination of Leighton and Tewfik cannot disclose or remotely suggest all the features of Applicant's claim 1.

In addition, the method of Applicant's claim 1 can be, and is, used for work identification and for copyright protection on devices that do not have means to identify the work or access a database with data that distinguish different works. Thus, the present invention as set forth in claim 1 provides features and advantages not available with the methods of Leighton.

Only with hindsight impermissibly gained from Applicant's disclosure could one of ordinary skill in the art arrive at the conclusions reached by the Examiner.

Applicant respectfully submits that the present invention would not have been obvious to one skilled in the art in view of the combination of Tewfik and Leighton, or any of the other prior art of record.

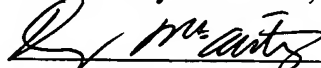
Further remarks regarding the asserted relationship between Applicant's claims and the prior art are not deemed necessary, in view of the foregoing discussion.

Withdrawal of the rejections under 35 U.S.C. § 103(a) is therefore respectfully requested.

#### Conclusion

The Examiner is respectfully requested to reconsider this application, allow each of the pending claims and to pass this application on to an early issue. If there are any remaining issues that need to be addressed in order to place this application into condition for allowance, the Examiner is requested to telephone Applicant's undersigned attorney.

Respectfully submitted,



Douglas M. McAllister

Attorney for Applicant(s)

Registration No. 37,886

Lipsitz & McAllister, LLC

755 Main Street, Bldg. 8

Monroe, CT 06468

(203) 459-0200

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**ATTORNEY DOCKET NO.: SOL-183**